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29 December 1958

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# CENTRAL INTELLIGENCE

## BULLETIN



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#### CENTRAL INTELLIGENCE BULLETIN

29 December 1958

25X1	DAILY BRIEF
	I. THE COMMUNIST BLOC

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Nasir and Communists: UAR propaganda media are following up Nasir's attack on Arab Communists, linking Communist activities with "Zionist and imperialist" plotting. The \$100,000,000 aid agreement between the UAR and the USSR was signed in Cairo on 27 December amid considerable publicity, despite the fact that the USSR reportedly stiffened the terms at the last minute. Nasir evidently is trying to avoid creating the impression that his anti-Communist moves indicate any shift from a strictly neutral foreign policy.

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South Korea: The opposition Democrats are trying by parliamentary methods to nullify oppressive legislation passed through the use of strong-arm tactics by the Rhee government on 24 December. Adoption of these methods, which are almost certain to fail in view of the strength of Rhee's Liberal party in the assembly, suggests that the Democrats apparently believe it is futile to oppose the police at this time. Most South Korean military leaders have welcomed an order by Minister of Defense Kim Chong-yol to remain aloof from the political controversy.

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Italy: Premier Fanfani, who narrowly survived a confidence vote on 6 December, evidently fears he cannot hold his present government together "much beyond mid-January." Fanfani told the American ambassador he might try to form a four-party center coalition—a development which seems unlikely in view of the differences among some of the parties involved. Fanfani, who is under attack in his own party, may be implying that his only chance of survival may be to accept tacit support by the Nenni Socialists.

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### I. THE COMMUNIST BLOC (No Back-up Material)

#### II. ASIA-AFRICA

#### Nasir and the Communists

UAR-controlled propaganda media have followed up Nasir's 23 December attack on the Syrian Communists with further condemnation of "dissident elements." A Syrian newspaper stated on 28 December: "Cooperation in foreign policy with certain friendly Eastern states does not mean giving an opportunity to subversive elements to divide the ranks of the nation." The Cairo press, claiming that it has hitherto refrained from printing foreign news agency dispatches on Communism in Iraq, has now detailed these reports as "evidence" of how the UAR has "supported" Iraq. Cairo has shut down the UAR's pro-Communist newspapers, thus preventing them from replying to or parrying the attacks.

In Baghdad, where only three newspapers published Nasir's speech in full, the pro-Communist media have counterattacked. One paper declared that "Nasir's idea of establishing national union is absolutely impractical," while another stated that an "attack against leftist powers in Arab countries forms an indirect attack against Iraq." Intellectuals representing the two sides have clashed at the Arab Literary Conference in Kuwait, where the Iraqi delegates have been severely heckled and accused of "disfiguring Arab history in order to apply Marxist theory to it."

The pro-UAR Baathists in Iraq and Jordan apparently have been inspired to renew their activity, with the Communists as the primary target. The party organ in Beirut published a statement by the Iraqi Baath organization on 27 December accusing the Communists of undermining the Iraqi revolution through "intrigue, conspiracies, and terror" and of implementing an "organized attempt to assume power."

Baath partisans in Baghdad are reported to have staged demonstrations at movie theatres on 25 and 26 December when

Nasir's picture appeared on the screens. Troops and police suppressed the demonstrations and are said to have made numerous arrests. Jordanian Baathists allegedly are willing even to drop their activity against King Husayn in order to devote all their energies against the Communists.

It is not yet clear what new security measures Nasir has taken against Communist personnel in the UAR. The anti-Communist line for Syrian security forces was set in a speech by Interior Minister Sarraj on 26 December. Rumors of the arrest or flight of Syrian party leader Khalid Bakhdash remain unconfirmed,

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Nasir, evidently fearing that his anti-Communist moves would be interpreted as a shift from the 'neutral' foreign policy he has long claimed to follow, is making special efforts to avoid creating this impression. For example, UAR officials have been particularly concerned that the anti-Communist campaign not be coupled publicly with the recent agreement for UAR purchase of surplus American wheat. On 27 December the UAR signed the \$100,000,000 Aswan High Dam aid agreement with the USSR, despite a reported last-minute stiffening of Soviet terms.

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Soviet representatives informed the UAR on 26 December that Cairo would have to agree to begin payments immediately upon completion of the first stage of the dam, instead of after a three-year waiting period. Nasir is said to believe that this change was a result of his attack on the Syrian Communists and was designed to prolong the negotiations. Although he would have preferred not to accept the change, Nasir felt he could not afford further delay in concluding the agreement; some of his advisers had already come to fear that the USSR would withdraw the aid offer en tirely.

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#### South Korean Democrats to Use Parliamentary Means To Oppose Rhee Legislation

A South Korean Democratic party conference on 26 December decided to call for an extraordinary session of the National Assembly early next month in an attempt to nullify oppressive legislation passed on 24 December through the use of strong-arm tactics by the Rhee government. The Democrats also plan to bring lawsuits against ranking leaders of Rhee's Liberal party. A move for the mass resignation of all Democratic members of the assembly has faded, however.

The adoption of these tactics by the Democrats suggests that they are reluctant to use more forceful measures to oppose the legislation. Street demonstrations were broken up in Pusan and Taegu by the national police, who remain vigilant to prevent further demonstrations, and the Democrats may well believe they lack the strength to carry through such measures. The party may now experience considerable difficulty in maintaining its cohesiveness.

Most South Korean military leaders appeared to welcome an order from Minister of Defense Kim Chong-yol to remain aloof from the political controversy. There are no indications that military personnel, many of whom are openly sympathetic to the Democrats, are prepared to participate in demonstrations.

The success of the strong-arm tactics has strengthened the so-called "hard" faction of the Liberal party, which may now decide to press for harsh enforcement of the oppressive legislation. President Rhee already has signed into law the revised National Security Law, and this could be used as a weapon against the Democrats.

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#### Italian Premier Worried About Government's Survival

Italian Premier Fanfani, who narrowly survived a confidence vote on 6 December, no longer believes he can hold the present government together "much beyond mid-January." This was the impression gained by the American ambassador through an extensive conversation with the premier on 23 December.

Fanfani, whose coalition of Christian Democrats and Democratic Socialists lacks a majority in the Chamber of Deputies, spoke of trying to include the Republican and Liberal parties and asked US help in persuading the Democratic Socialists and Republicans to accept the four-party formula. Fanfani said no new formulation would be possible until after the Nenni Socialist congress scheduled for 15-18 January. The Italian parliament is to reconvene on 20 January.

Formation of a four-party government appears unlikely, however, because of the sharp differences between the conservative Liberals and the left-center Republicans and Democratic Socialists. Fanfani, under increasing attack by the right wing of his own Christian Democratic party, may be attempting to prepare the ambassador for his possible future reliance on Nenni Socialist parliamentary support as the only alternative to resignation. He denied planning any "early approaches" to Nenni, however.

Within the Nenni Socialist party, Nenni's own faction, which favors greater independence from the Communists, is reported to be showing strength in local voting preparatory to the national party congress. The congress is not expected to produce any sharp public break with the Communists, with whom the Socialists will probably continue to associate in the labor unions and cooperatives for financial and tactical reasons. Nevertheless, Fanfani may feel that even a tacit understanding with Nenni for ad hoc parliamentary support might give him a weapon with which to hold off the attacks of his own party's right wing.

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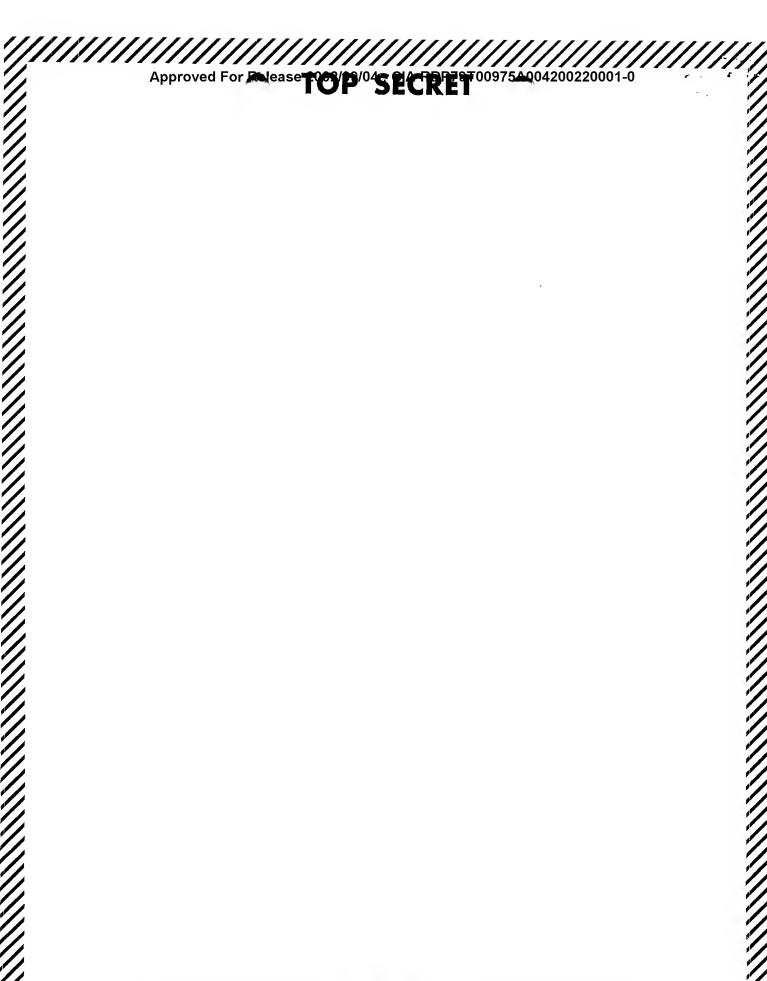
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